

## APPENDIX A

## DETERMINING AUTHORIZED PURPOSES OF APPROPRIATIONS

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## Background

A fundamental statute dealing with the use of appropriated funds is 31 U.S.C. §1301(a), which states, “Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.” Simply stated, public funds may be used only for the purpose or purposes for which they were appropriated.

Agencies are responsible, through their own review and control systems, for making sure that the obligations they incur and the resulting outlays adhere to the provisions in the authorizing and appropriations legislation, as well as to other laws and regulations governing the obligation and expenditure of funds. It prohibits charging authorized items to the wrong appropriation, and unauthorized items to any appropriation.

OMB exercises its review responsibility by appraising program and financial reports and by keeping abreast of agencies’ efforts to attain program objectives. In addition, the General Accounting Office (GAO), as an agency responsible to Congress, regularly audits, examines, and evaluates Government programs. Its findings and recommendations for corrective action are made to Congress, to OMB, and to the agencies concerned.

The actual language of the appropriation act is the most significant factor in determining the purpose of an appropriation. Every appropriation has one or more purposes in the sense that Congress does not provide money for an agency to do with as it pleases, although purposes are stated with varying degrees of specificity. In some cases, it is necessary to examine the agency’s substantive legislation to determine permissible expenditures under a “broad” appropriation.

## Scope

This document addresses four appropriations/funds within FEMA’s budget structure: Salaries and Expenses (S&E) [fund code 9]; Emergency Management Planning and Assistance (EMPA) [fund code 3]; National Flood Insurance Fund (NFIF) [fund code 5]; and Disaster Relief Fund (DRF) [fund code 6]. It is intended for use by program and budget support staff to appropriately formulate requests for budgetary resources and to ensure proper classification of each financial transaction of the agency. The provisions are applicable to personnel in headquarters, regions, and field establishments.

Questions or comments on this document and general questions on authorized purposes of appropriations may be addressed to the Budget Officer, Financial Planning and Analysis Division, Office of Financial Management. For additional information regarding the DRF, contact the Division Director, Financial Policy Division, Office of Financial Management.

Appropriation Language**SALARIES AND EXPENSES**

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles as authorized by 31 U.S.C. 1343; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed \$2,500 for official reception and representation expenses, \$180,000,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Summary Criteria for Use of the S&E Appropriation

FEMA's S&E appropriation encompasses the salaries and expenses required to provide executive direction and administrative and staff support to FEMA's programs in both the Headquarters and field offices. Program support activities provide the necessary resources to administer the Agency's various programs. The Executive Direction activity provides for the general management of the Agency in legal, congressional, and media affairs, and personnel and financial management.

In other words, the S&E appropriation generally provides for costs associated with the agency's permanent staff assigned to FEMA's operating accounts, including funds for overall management and administration of the agency.

Allowable Costs

The following list of eligible S&E costs is not all-inclusive. It is, however, intended to address specific areas of eligibility that may have been unclear, historically problematic within the agency, or that have been modified in order to address ambiguities or to address changes in functions that have occurred over the years.

- ❑ Compensation, benefits, and related costs for maintaining the agency's permanent workforce. Costs include, but are not limited to, base compensation, benefits, within-grade increases, awards, premium pay and overtime. If premium pay or overtime is attributable to work on a specific disaster or to Emergency Support Team (EST) duties, then the appropriate account under the Disaster Relief Fund will be charged.
- ❑ Travel and transportation of persons, including commercial transportation charges; and incidental travel expenses related to official travel. The purpose of travel is the determining factor when deciding which appropriation is to be charged, e.g., fund code 9 as opposed to fund code 5. For example, if the salary and benefits for a regional Mitigation Division Director are charged to fund code 5 and he is traveling to an

- earthquake conference, then his travel should be charged to fund code 9, Earthquake program.
- ❑ Purchase and lease of transportation equipment, i.e., motor vehicles, as well as purchase of fuel for vehicles.
  - ❑ Rental payments for the use of land, structures, or equipment owned by others. Fund code 9 is charged for the cost of space occupied by employees charged to fund code 9 and to the Inspector General appropriation.
  - ❑ Charges for communications services, including local telephone service, Internet, and email.
  - ❑ Charges for utility services, e.g., electric, water, gas, sewer, garbage collection, etc., including a proportionate share of the operating costs for the National Emergency Training Center (NETC) based on space attributed to FEMA staff. (See exclusions below.)
  - ❑ Background investigations/security clearances for non-disaster personnel, with the exception of Mobile Emergency Response System (MERS) staff.
  - ❑ Payments for contract security guard services provided at headquarters and at the regional offices. (See exclusions below.)
  - ❑ Delivery of Agency-wide training. (See exclusions below.)
  - ❑ Director's Representation Fund. Through the annual appropriation, Congress authorizes this limited fund for official reception and representation expenses for the Director, FEMA. Expenses are to be charged against this limitation only upon personal approval or authority of the Director. (See FEMA Instruction 2200.4 for additional guidance.)
  - ❑ Personal computer workstations, laptop computers, cellular phones, and pagers for use by permanent agency staff.
  - ❑ Costs associated with Permanent Changes of Station (PCS). (See exclusions below.)
  - ❑ A proportionate share of the cost of payroll services provided by the Department of Agriculture's National Finance Center for employees paid from fund 9.
  - ❑ Reimbursement to the Office of Workers' Compensation for payments made to fund 9 employees.
  - ❑ Unemployment compensation payments made to the Department of Labor for fund 9 employees.
  - ❑ A proportionate share of the contract costs to administer the workers' compensation program based on workers' compensation payments charged to fund 9.

- ❑ A proportionate share of costs associated with operations at the Mt. Weather Emergency Assistance Center (MWEAC) through the working capital fund based on levels of support provided to fund 9 employees.
- ❑ Subsidies for commuting costs, i.e., transit subsidies.

***Excludes:***

- PCS costs for employees funded from other appropriations.
- Training delivery for employees funded from other appropriations and MERS employees. Also excludes disaster preparedness program training provided for S&E supported permanent staff.
- Security clearances/background investigations for MERS employees and employees paid from all other funds.
- Travel for which the primary purpose falls outside of the scope of an operating account program, i.e., travel that is not in support of a program under Response and Recovery; Preparedness, Training, and Exercises; Fire Prevention and Training; Mitigation; Operations Support, Information Technology Services, Policy and Regional Operations, or Executive Direction. DRF funded employees are restricted to disaster-related work activities, and therefore are restricted to fund code 6 travel.
- Contract security guard services provided at the National Emergency Training Center, disaster field offices (DFOs), and at disaster fixed facilities.
- Travel, per diem, and overtime for permanent staff involved in disaster field operations.
- Share of costs for utility services at NETC that is attributed to students.

Appropriation Language

**EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE**  
(Including Transfer of Funds)

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404-405), and Reorganization Plan No. 3 of 1978, \$267,000,000: *Provided*, That for purposes of pre-disaster mitigation pursuant to 42 U.S.C. 5131(b) and (c) and 42 U.S.C. 5196(e) and (i), \$25,000,000 of the funds made available under this heading shall be available until expended for project grants: *Provided further*, That beginning in fiscal year 2000 and each fiscal year thereafter, and notwithstanding any other provision of law, the Director of FEMA is authorized to provide assistance from funds appropriated under this heading, subject to terms and conditions as the Director of FEMA shall establish, to any State for multi-hazard preparedness and mitigation through consolidated emergency management performance grants: *Provided further*, That notwithstanding any other provision of law, FEMA is authorized to and shall extend its cooperative agreement for the Jones County, Mississippi Emergency Operating Center, and the funds which were obligated as Federal matching funds for that Center shall remain available for expenditure until September 30, 2001. *Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Summary Criteria for Use of the EMPA Appropriation

The EMPA appropriation, commonly referred to as “program funds” provides resources for the following activities: Response and Recovery; Preparedness, Training and Exercises; Mitigation Programs; Fire Prevention and Training; Operations Support; Information Technology Services; Policy and Regional Operations; and Executive Direction.

Allowable Costs

Costs are non-personnel related and directly support non-disaster program delivery, such as grants, interagency agreements, and contracts for goods and/or services in support of FEMA’s operating programs. The following list of allowable EMPA costs is not all-inclusive. It is, however, intended to address specific areas of eligibility that may have been unclear, historically problematic within the agency, or that have been modified in order to address ambiguities or to address changes in functions/mission.

- ☐ Grants, cooperative agreements, and interagency agreements.
- ☐ Postage associated with the programs listed above.
- ☐ Website maintenance costs.

- ❑ Course development and delivery of training for emergency managers, firefighters, and other audiences.
- ❑ Delivery of training for MERS employees.
- ❑ Security clearances/background investigations for MERS employees.
- ❑ Operation and maintenance of local area networks and wide area networks (LAN/WAN), and landline support.
- ❑ Contracts for long distance carriers.
- ❑ Contract security guard services provided at the National Emergency Training Center.
- ❑ Purchase and/or maintenance agreements for equipment that is intrinsically related to a program such as video and audio equipment purchased and maintained for the Office of Public Affairs, and surveillance cameras, badging systems, and X-ray machines for physical or personnel security.
- ❑ Facility upgrades (health and safety and national security-related) at Federal Regional Centers (FRCs).
- ❑ Facility operations and maintenance costs associated with the Federal Support Center (FSC) at Olney, Maryland.
- ❑ Housekeeping and admissions support for NETC.
- ❑ A proportionate share of costs associated with operations at MWEAC through the working capital fund based on levels of support provided in support of fund 3 program activities.

***Excludes:***

- Office supplies and equipment used by employees (personal computers, laptop computers, pagers, cell phones).
- Travel and transportation of persons.
- Rental payments for the use of land or structures.
- Postage for programs charged to other funds, e.g., mailings of disaster-related (Fund 6) or flood-related (fund 5) materials.

Appropriation Language**NATIONAL FLOOD INSURANCE FUND**  
(Including Transfer of Funds)

For activities under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, as amended, not to exceed \$24,333,000 for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed \$78,710,000 for flood mitigation, including up to \$20,000,000 for expenses under section 1366 of the National Flood Insurance Act, which amount shall be available for transfer to the National Flood Mitigation Fund until September 30, 2001. In fiscal year 2000, no funds in excess of: (1) \$47,000,000 for operating expenses; (2) \$456,427,000 for agents' commissions and taxes; and (3) \$50,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations. For fiscal year 2000, flood insurance rates shall not exceed the level authorized by the National Flood Insurance Reform Act of 1994.

Section 1309(a)(2) of the National Flood Insurance Act (42 U.S.C. 4016(a)(2)), as amended by Public Law 104-208, is further amended by striking "1999" and inserting "2000".

The first sentence of section 1376(c) of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4127(c)), is amended by striking "September 30, "1999" and inserting "September 30, 2000". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Summary Criteria for Use of the NFIF

This fund is used as the funding mechanism for the National Flood Insurance Program (NFIP). FEMA also charges salaries and expenses related to floodplain management and insurance operations activities directly to the National Flood Insurance Fund (NFIF). All costs associated with floodplain management activities are borne by policyholders, as authorized by Public Law 101-508, the Omnibus Budget Reconciliation Act of 1990.

Allowable Costs

- ❑ Compensation, benefits, and related costs for maintaining the permanent workforce associated with flood insurance operations and floodplain management activities. Costs include, but are not limited to, base compensation, benefits, within-grade increases, awards, premium pay and overtime.
- ❑ Travel and transportation of persons, including commercial transportation charges, and incidental travel expenses related to official travel. The purpose of travel is the determining factor when deciding which appropriation is to be charged, e.g., fund code 5 as opposed to fund code 9.
- ❑ Financing and operating expenses.
- ❑ Insurance underwriting expenses.



- ❑ Loss and loss adjustment expenses.
- ❑ Flood insurance and mitigation program expenses.
- ❑ Rental payments for the use of land or structures occupied by employees charged to fund 5.
- ❑ A proportionate share of the cost of payroll services provided by the Department of Agriculture's National Finance Center for employees paid from fund 5.
- ❑ A proportionate share of costs associated with operations at MWEAC through the working capital fund based on levels of support provided in support of fund 5 program activities and employees.

***Excludes:***

- DRF funded employees are restricted to disaster-related work activities, and therefore are restricted to fund code 6 travel.

Appropriation Language

**DISASTER RELIEF**  
(Including Transfer of funds)

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), \$300,000,000, and, notwithstanding 42 U.S.C. 5203, to remain available until expended, of which not to exceed \$2,900,000 may be transferred to “Emergency Management Planning and Assistance” for the consolidated emergency management performance grant program: *Provided*, That of the funds made available under this heading in this and prior appropriations Acts and under section 404 of the Stafford Act to the State of California, \$2,000,000 shall be for a pilot project of seismic retrofit technology at California State University, San Bernardino; \$6,000,000 shall be for a seismic retrofit project at Loma Linda University Hospital; and \$2,000,000 shall be for a seismic retrofit project at the University of Redlands, Redlands, California: *Provided further*, That of the funds made available under this heading in this and prior appropriations Acts and under section 404 of the Stafford Act to the State of Florida, \$1,000,000 shall be for a hurricane protection project for the St. Petersburg campus of South Florida University, and \$2,500,000 shall be for a windstorm simulation project at Florida International University, Miami: *Provided further*, That of the funds made available under this heading in this and prior appropriations Acts and under section 404 of the Stafford Act to the State of North Carolina, \$1,000,000 shall be for a logistical staging area concept demonstration involving warehouse facilities at the Stanly County Airport: *Provided further*, That of the funds made available under this heading in this and prior appropriations Acts and under section 404 of the Stafford Act to the State of Louisiana, \$500,000 shall be for wave monitoring buoys in the Gulf of Mexico off the Louisiana coast.

For an additional amount for “Disaster relief”, \$2,480,425,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Of the unobligated balances made available under the second paragraph under the heading “Federal Emergency Management Agency, Disaster Relief” in Public Law 106-74, in addition to other amounts made available, up to \$215,000,000 may be used by the Director of the Federal Emergency Management Agency for the buyout of homeowners (or the relocation of structures) for principal residences that have been made uninhabitable by flooding caused by Hurricane Floyd and surrounding events and are located in a 100-year floodplain: *Provided*, That no homeowner may receive any assistance for buyouts in excess of the fair market value of the residence on September 1, 1999 (reduced by any proceeds from insurance or any other source paid or owed as a result of the flood damage to the residence): *Provided further*, That each State shall ensure that there is a contribution from non-Federal sources of not less than 25 percent in matching funds (other than administrative

costs) for any funds allocated to the State for buyout assistance: *Provided further*, That all buyouts under this section shall be subject to the terms and conditions specified under 42 U.S.C. 5170c(b)(2)(B): *Provided further*, That none of the funds made available for buyouts under this paragraph may be used in any calculation of a State's section 404 allocation: *Provided further*, That the Director shall report quarterly to the House and Senate Committees on Appropriations on the use of all funds allocated under this paragraph and certify that the use of all funds are consistent with all applicable laws and requirements: *Provided further*, That the Inspector General for the Federal Emergency Management Agency shall establish a task force to review all uses of funds allocated under this paragraph to ensure compliance with all applicable laws and requirements: *Provided further*, That no funds shall be allocated for buyouts under this paragraph except in accordance with regulations promulgated by the Director: *Provided further*, That the Director shall promulgate regulations not later than December 31, 1999, pertaining to the buyout program which shall include eligibility criteria, procedures for prioritizing projects, requirements for the submission of State and local buyout plans, an identification of the Federal Emergency Management Agency's oversight responsibilities, procedures for cost-benefit analysis, and the process for measuring program results: *Provided further*, That the Director shall report to Congress not later than December 31, 1999, on the feasibility and justification of reducing buyout assistance to those who fail to purchase and maintain flood insurance: *Provided further*, That the entire amount shall be available only to the extent an official budget request, that includes designation of the entire amount of the request as an emergency requirement as defined by the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. (*Miscellaneous Appropriations, 2000, as enacted by section 1000(a)(5) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

#### Summary Criteria for Use of the DRF Appropriation

The DRF may fund: 1) activities which are directly related to providing assistance for disaster events declared under the Stafford Act (i.e., Direct Disaster costs) and 2) support services, activities, or functions necessary to carry out these activities but not attributable to or easily charged to a specific disaster (i.e., Disaster Support costs). Section 306 of the Stafford Act also provides for the appointment and compensation of such temporary employees as may be necessary to perform services under the Act. Direct Disaster costs specifically outlined in the Stafford Act include direct Federal assistance, grants, emergency response, and field office administration, to include travel, per diem, and overtime, for FEMA permanent staff and DRF-funded temporary personnel involved in disaster field operations. Disaster Support costs include one-time and recurring costs, such as compensation of temporary personnel and centralized functions that were previously performed at disaster sites.

In general, in order to be eligible for DRF funding, an activity must do all of the following:

Redress damage, the imminent threat of damage, or a situation created by damage caused by a major disaster, directly support ongoing disaster operations, or be eligible for fire suppression assistance under Section 420 of the Stafford Act, or be explicitly authorized by the Stafford Act;

Conform to the policies established by FEMA, the Office of Management and Budget, and the Congress; and

Not be specifically authorized or funded under other legislative authorities or appropriations.

In addition to meeting the general DRF eligibility criteria above, in order to be an allowable Disaster Support cost, the activity must qualify as a “necessary expense” under appropriations language—it must directly support disaster operations.

#### Allowable Costs for Disaster Support

- ❑ ADP and telecommunications services provided exclusively for disaster processing facilities.
- ❑ Facility support services provided for centralized disaster processing facilities.
- ❑ Equipment, supplies, and materials that directly support centralized disaster processing operations.
- ❑ Personnel costs for temporary personnel as authorized by Section 306 of the Stafford Act required to staff centralized disaster processing and operations support activities.
- ❑ Personnel costs for a permanent cadre of Federal Coordinating Officers (FCO's).
- ❑ Inspection and review maintenance contracts.
- ❑ Stockpiles of emergency supplies and equipment.
- ❑ Disaster preparedness program training and associated costs for DRF funded temporary staff and S&E funded permanent staff.
- ❑ Audits, inspections, and investigations of disaster operations.
- ❑ Registration and processing activities.
- ❑ A proportionate share of costs associated with operations at MWEAC through the working capital fund based on levels of support provided in support of fund 6 program activities and employees.
- ❑ A proportionate share of the cost of payroll services provided by the Department of Agriculture's National Finance Center for employees paid from fund 6.

- ❑ Background investigations/security clearances for disaster personnel.
- ❑ Reimbursement to the Office of Workers' Compensation for payments made to fund 6 employees.
- ❑ Unemployment compensation payments made to the Department of Labor for fund 6 employees.
- ❑ Rental payments for the use of land and structures occupied by employees charged to fund 6.

***Excludes:***

***The following are charged to specific disasters (still fund 6, but not Disaster Support)***

- Service contracts or equipment purchases to support a specific disaster.
- Travel costs to deploy people and/or equipment to a declared disaster site.
- Personnel costs for temporary disaster employees who are primarily used for initial response surge staffing or longer-term recovery staffing required in disasters.
- Rental payments for the use of land or structures acquired in support of a specific disaster.

***The following are charged to other appropriations, i.e., funds 5, 3, or 9***

- Personnel costs of permanent employees (except for FCO cadre) performing general program management or administrative functions.
- Equipment or supplies to perform ongoing agency missions/functions.
- Training for employees for employee development and or skills improvement for functions that are integral to the employee's full time responsibilities.